

REMARKABLE STORY.

Complete Details of the Sensational
Armor Plate Exposure

FROM THE STARTLING DISCOVERY

By Homestead Workmen to the
Payment of the Reward.

GREATEST GOVERNMENT SCANDAL

That Has Occurred in Many Years—A
Suspicious Connection Between the
Administration's Leniency and Effort
to Keep the Fact from the Public
and Carnegie's Sudden Declaration
in Favor of the Wilson Bill.
How Employees of the Carnegie Steel
Company Discovered That Plates
Not Up to the Specifications Were
Being Shipped to the Government
and How They Sold the Information
to the Government—Cleveland's Effort
to Cover Up the Fraud.

No more interesting story than the complete details of the Carnegie armor plate matter has been published for many a day. The Pittsburgh Times, which first told of the scandal which has created such a sensation in government and political circles, has followed up its charge with a history of the affair. It is a circumstantial statement of the most intense interest, and gives the story from the discovery of fraud and the events leading up to Andrew Carnegie's sudden declaration for the Wilson bill and his free trade letter, down to the distribution of the reward to the informers, who were employed at the Homestead steel works. The Times says:

Early in January, 1893, Edward Sill, a clerk in the Homestead office of the Carnegie Steel Company, found that the armor plate records were being falsified. It was Sill's duty to take the records of the various plates as they were entered upon the plates in the mill. These records were for the purpose of showing the progress of the plates from start to finish, and were entered by Sill in pass books. The books were by him turned over to Manager Charles M. Schwab, who, with his assistant, Supt. Corey, entered them officially upon the books of the company for transmission to the Navy Department at Washington. Sill one day, in looking over these official books, discovered what he thought was an error in copying, but was told it was all right. This led him to examine the books further at the first opportunity, and when he found that the reports that he had been making had been systematically altered, and that the alterations operated to the benefit of the steel company as against the government. This led Sill to take up the matter in earnest, and as an aid to him he took J. Dennis Riley, a heater, into his confidence. Riley agreed to keep a record of every plate passing through his department, while Sill made for his own use a record of what was put upon the plate, in addition to the pass book record, which was a portion of his daily duty.

ONLY TEMPERED THE ENDS.

It is a part of the government stipulation with regard to armor plate that the plates be tempered after they are shaped. The plates, it should be known, are made each to fit into its particular place upon the battleship and as a whole must comply exactly to the contour of the vessel. The steel company soon found that it was impractical to temper a plate after it was shaped. The plates are so heavy that when put in a furnace to be heated preparatory to tempering they are bound to warp of their own weight. It became the practice, therefore, to merely place the ends of the plates in the heating furnace and temper them in accordance with the specifications, so that when the naval inspectors came along and ordered an end of a plate cut off and then subjected it to the required test, it would be found to comply with specifications. All this came out when Sill compared his slate record with the private record of plates kept by Riley.

Sill and Riley had been pursuing their investigations for some time when Sill one day received an order from Manager Schwab to destroy all the pass books in his care relating to the armor plate. This Sill pretended to do, but instead he took the books home with him. Neither he nor Riley had yet hit upon a plan to make use of the information they had, and they therefore decided to take Thomas E. James, a machinist, into their confidence. James soon got some additional information of commercial value.

The three men named found also that in the case of the sponsors the government regulations were ignored. A sponsor is an armored projection fitted with a gun port-hole and naturally of a peculiar formation. The steel company met the same difficulty here, in tempering after shaping up, that had been encountered with the immense armor plates. It therefore adopted the practice of tempering the corners to the necessary limit and treating the balance of the sponsors to a solution of oil intended to contribute hardness and finish.

Of course it was necessary that all the steel made, of whatever shape, should pass the naval inspection. How the inspection was made has been told. The inspection is made piece by piece. If the end of a piece is found to come up to the required tests the whole piece is approved. The approved plates are placed together for shipment. It is claimed by the three men named, however, that at night, when the naval inspectors were not about, plates which had not passed the inspection were substituted for those which had and were duly shipped. To ascertain just what was going on at night it was necessary to take another man into the secret, and Harry B. Williams, a brother-in-law of Sill, was chosen for this duty.

SUBSTITUTION OF PLATES CONFIRMED.

Williams was employed as an engineer and is still with the steel company. His duties are such that he has spare time to wander out into the mill yard at night. He discovered nothing new, but what he saw confirmed his companions' charge—that there was a substitution of plates, the inferior taking the place of the inspected superior plate.

The four men all this time had not devised a use for what they knew, and two other workmen, Charles Craig and one named Heeslein, were taken into the secret to keep their eyes open in the mill, while Frank B. Perry, private secretary to Manager Schwab, was added as being in a position where he could be of peculiarly valuable assistance in securing inside information. The seven men compared notes daily and tried to hit upon some plan for using their in-

formation. Sill wanted to have the whole story printed. He urged that it was unpatriotic to permit material known to be defective to go into vessels that some day might be called upon to defend the nation. The conning tower is used to steer a battleship; the sponsor is as important as the gun itself in defending a position or attacking an enemy. He argued that if these were defective the first time the vessels in question came into action in battle would be the last.

It was finally agreed that the whole case should be laid before William J. Brennan, as counsel for the Amalgamated Association of Iron and Steel Workers, to be used by him as an entering wedge to secure the restoration of harmonious relations between the Carnegie Steel Company and organized labor, which had been broken off by the famous contest of 1892. Incidentally it was hoped that the seven men named might be advanced in position with the steel company. This scheme was, however, abandoned as impracticable so soon after 1892. Craig then suggested that Attorney F. C. McGirr was a friend of his and that he would take the matter to him to see what could be done. He brought back the information that Mr. McGirr was very much interested but after going into the details of the case had reached the conclusion that "the Carnegies were too big to buck up against."

GOT THE RIGHT MAN AT LAST.

The men were now in the air. They didn't know what to do. They had somehow reached the conclusion that a Democratic attorney was necessary to handle the matter, but of the two mentioned one was hardly in position to help them and the other wouldn't. At this juncture James H. Smith, of 409 Grant street, was suggested. His Democracy having been established, the facts were laid before him. Mr. Smith sent for and examined each of the men concerned separately. He was told the men wanted to make some money out of the affair, having reached the conclusion that there were "millions" in it. They had somehow got the idea that the Carnegie company had received all told \$6,000,000 or \$7,000,000 from the government and they considered that if any of this could be recovered or if any damage could be claimed by the government based on their information, they ought to have a share of the usufruct. Mr. Smith was in doubt as to such a conclusion could be realized. He therefore called upon George A. Jenks, Esq., of Brookville, Pa., who had been solicitor general during President Cleveland's first term, to assist him as counsel. Mr. Jenks's first act was to arm Mr. Smith with letters of introduction to Secretary of the Navy Hilary A. Herbert and Secretary of the Treasury John G. Carlisle, in which he cordially commended his friend Smith to the good offices of the administration.

In last June, therefore, Mr. Smith went to Washington and called upon Secretary Herbert. Mr. Herbert was astonished and professed to be somewhat indignant, although there is a suspicion now that he was pleased. He asked time to investigate. A long correspondence was conducted.

PLAYED IT FOR A SENSATION.

The secretary was evidently determined to play the thing for a sensation, as he had the letters upon the subject addressed to his private residence, apparently fearing even to trust his private secretary and department assistants with a matter so grave. Mr. Jenks and Mr. Smith made a number of trips to Washington to supplement and establish their proofs and case. The secretary of the navy had meanwhile refused to sign the vouchers for the Carnegie company and Mr. Hunsicker went down to see what was the matter.

In December last the administration had formulated its policy. An agreement was drawn up in which James H. Smith and George A. Jenks (the latter's name subsequently being erased from the contract) as counsel, and Perry, Reilly and James recited that the Carnegie company had two certain contracts with the government, and that on the persons named turning over to Secretary Herbert certain information bearing upon these contracts the aforesaid persons should be paid for their professional services 25 per cent of whatever sums were recovered from the steel company. This agreement was signed by Secretary Herbert and the seal of the United States attached, after a clause had been inserted stipulating that Mr. Herbert should not be held individually liable for any moneys involved.

During the interim between June and December the men concerned had been making regular reports to the government of the progress of plates through the various stages of completion, these reports being compared with the reports and charges made by the company. The government inspectors meanwhile had been appraised of what was going on, and were able at will to examine material in which defects existed. Secretary Herbert wrote his informers declaring that the proofs were overwhelming. In December the men, all save Williams, resigned their positions at Homestead, first securing letters of recommendation signed by Chairman H. C. Frick.

THE VISIT TO THE PRESIDENT.

The navy department now took up the question of damages. Commodore Sampson, chief of the ordnance bureau, found that the material which was not up to the highest mark of excellence had cost the government \$1,900,000. He suggested that damages should be charged back against the company at the rate of 15 per cent and that all extra premiums be refunded, bringing the entire claim of the navy department against the steel company up to \$450,000. Then came the now famous visit of Andrew Carnegie and Henry C. Frick to the President, accompanied by counsel, on December 20 last. Secretary Herbert had made formal demand for the refunding of the \$450,000, and the Carnegie people had insisted upon the terms of their contract, which expressly stipulated that the President of the United States should act as arbitrator in disputes between the department and the contractors. The agreement between Secretary Herbert and the informers contained a like stipulation.

What was said in the interview with the President must be left to the imagination of the reader. On January 5 last the Times printed an exclusive interview with Mr. Carnegie, in which he declared positively in favor of the passage of the Wilson bill. A few days later the New York Tribune printed a letter written by Mr. Carnegie to Whitelaw Reid, Republican candidate for vice president in 1892 and editor of the Tribune, repeating his reasons for desiring the passage of the Wilson bill. These declarations not only created a profound sensation among manufacturers, protectionists and politicians generally, but when the Times appeared on January 5 containing them there was the maddest lot of informers in Pittsburgh imaginable. The "millions" faded into thousands. Mr. Cleveland wasn't mad a bit, however. Two days later he sent for Secretary Herbert and said he thought the proposed damages against the Carnegie company were ex-

cessive. In the first place he thought that no material should be included in arriving at a basis of estimate that was made and shipped at a period antedating the discovery made by Sill in January, 1893.

A BIG DROP IN THE BOOLE.

It was found that this would bring the figures down to an amount approximating \$1,400,000. In the second place, argued Mr. Cleveland, the rate of damages should not be above 10 per cent. Furthermore it should be understood on all sides that the matter be a secret not to be divulged for any cause until the company had settled. At this Secretary Herbert waxed wroth. He insisted that the entire \$450,000 be collected or withheld, that the matter be not considered a secret and that Messrs. Schwab and Corey be discharged and government men put in charge, adding: "I'll crush the man Carnegie before I get through." But Mr. Cleveland has his way with the secretary of the navy as he has with the rest of the cabinet and he not only decided that there should be only a 10 per cent assessment of damages but that no return of premiums should be required.

The question of secrecy had not been raised until after the publication of the Carnegie letter in the Tribune, it having been Mr. Herbert's intention to make the story public. But Mr. Cleveland's secrecy orders went, as did the others. Attorney Smith was not enamored of Mr. Cleveland's system of settlements, and wanted a public trial, in the hope of securing better results for his clients.

Now came the compliance with the contract made with the informers, which agreement had been drawn up by Attorney General Richard Olney. One fourth of the damage money was \$35,121 22. This was not sent to a banking establishment, but was deposited by the Carnegie company with T. Mellon & Sons' Bank. They in turn paid it into the Bank of Pittsburgh to the credit of the parties at interest. It was not sent to Washington for the reason that, once in the United States treasury, it could not be gotten out without an act of Congress, which would involve the publicity so much feared by President Cleveland.

DIVISION OF THE SPOILS.

The division was made as follows, the amounts given being approximated: Smith, as attorney, \$8,000; Jenks, as attorney, \$2,000; Sill, \$6,000; Williams, \$300; Riley, \$6,000; James, \$5,500; Craig, \$1,000; Perry, \$6,000. The balance went for expenses and in the shape of compensation to mill employees who had assisted the principals. Sill is in Washington, having gone on Monday for a conference with Secretary Herbert, hoping to get his consent to tell the story to some New York paper. Riley is in Pittsburgh, Perry is at Cleveland, where he was robbed of \$50 some weeks ago in a disorderly house. James has gone to Scranton. Williams is still living at Braddock. Craig was still about Pittsburgh as late as Tuesday. Heeslein is in New Mexico for his health.

There were no affidavits made in the case. The charges were proved by examination of the plates questioned at the yards where the Oregon and Indiana were being constructed. Instead of confronting the Carnegie people with affidavits, as has been said, Secretary Herbert had his private secretary, Finney, bring in the Carnegie company's own books, at the navy department, and then compared them with the reports made by the informers and the results of examinations made by naval inspectors who had been put to trace the plates. The tracing of plates is an easy matter, as a record is supposed to be kept of them from their beginning to their position on vessels.

THE CARNEGIES STILL SILENT.

The head officials of the Carnegie Company still decline to make any statement regarding the fine or damage assessment of \$140,481 91 levied by the government because of armor plates furnished, which, while they were above "the lowest mark of tolerances," did not come up to the "highest point of excellence," which Secretary of the Navy Herbert states the company was by "its contract bound to attain." The officials of the company also decline to make any statement respecting the workmen who received and divided a reward of \$35,000 given by the government for the information as to the plates on which the damages were assessed.

Don't waste your time on doctors when your liver is diseased. Take Simmons Liver Regulator.

The word "Hoosier" is said to be derived from an old-time salutation, "Ho, sir."

THE BREATH of a chronic catarrh patient is often so offensive that he becomes an object of disgust. After a time ulceration sets in, the spongy bones are attacked, and frequently destroyed. A constant source of discomfort is the dripping of the purulent secretions into the throat, sometimes producing inveterate bronchitis, which is usually the exciting cause of pulmonary disease. The brilliant results by its use for years past properly designate Ely's Cream Balm as by far the best and only cure. Call upon your druggist for it.



KNOWLEDGE

Brings comfort and improvement and tends to personal enjoyment when rightly used. The many who live better than others and enjoy life more, with less expenditure, by more promptly adapting the world's best products to the needs of physical being, will attest the value to health of the pure liquid laxative principles embraced in the remedy, Syrup of Figs.

Its excellence is due to its presenting in the form most acceptable and pleasant to the taste, the refreshing and truly beneficial properties of a perfect laxative; effectually cleansing the system, dispelling colds, headaches and fevers and permanently curing constipation. It has given satisfaction to millions and met with the approval of the medical profession, because it acts on the Kidneys, Liver and Bowels without weakening them and it is perfectly free from every objectionable substance.

Syrup of Figs is for sale by all druggists in 50c and \$1 bottles; but it is manufactured by the California Fig Syrup Co. only, whose name is printed on every package, also the name, Syrup of Figs, and being well informed, you will not accept any substitute if offered.

A
Storehouse
of
Scenic
and
Historic
Treasure
is
Presented
in
"Sights
and
Scenes
of
the
World,"
Offered
by
The
Intelligencer.

Hundreds
of
These
Suberb
Views
Are
Distributed
Daily.

EVERY
ONE
WANTS
THEM.

HOW TO OBTAIN THE SERIES:

In Every Issue of the Intelligencer a "Sights and Scenes" Coupon will Appear.

FOR CITY READERS.

Bring 6 "Sights and Scenes" Coupons of different dates, together with 10 cents in coin, for each part as issued to the INTELLIGENCER, 25 Fourteenth street.

FOR OUT-OF-TOWN READERS.

Mail 6 "Sights and Scenes" Coupons of different dates and 10 cents to "Art Department, the INTELLIGENCER." Be particular to (1) state the number of the part desired; (2) your full name and address; (3) inclose the necessary coupons and 10 cents.

All Promises
Kept.

When this Paper began the Now Great Distribution of

World's
Fair
Art
Portfolios

A promise was made to the public that the Portfolios would contain the finest series of views ever offered to the public by a newspaper. In point of mechanical and artistic excellence these views

HAVE
SURPASSED
EVERYTHING

Which has yet been offered, and it may safely be stated that their like will not be seen again. When the series is completed it will include views devoted to the following subjects:

Architecture and Buildings.....	94	Photographs
Landscape and Water Views.....	23	"
Fountains, Sculpture, and Statuary.....	36	"
Famous Paintings of the World.....	37	"
Exhibits of All Nations.....	66	"
Types of Various Nations.....	21	"
Miscellaneous Views.....	25	"

302 Photographs

These will constitute a complete Pictorial and Descriptive History of the Great

Columbian
Exposition.

Don't fail to secure ALL of these Superb Portfolios.

—YOU CAN DO SO—

2 at a Time,
4 Each Week.

DON'T FAIL to secure all Back Portfolios.

You can do it 2 at a time—4 each week.

THIS IS HOW:

Good ONLY for Nos. 7 and 8.

DOUBLE NUMBER

World's Fair Art Portfolio
COUPON.

CLIP Three Coupons like this of different dates and bring or send them, with 20 cents in coin, to this office and the two back portfolios named below will be delivered or mailed. If ordering by mail don't include any business except to ask for the Portfolios mentioned in this coupon. Write your address and name plainly and don't fail to inclose the 3 Coupons and 20 Cents. THIS COUPON IS GOOD FOR WORLD'S FAIR ART PORTFOLIOS NOS. 7 AND 8 ONLY.

Full Terms of Distribution:

1. FOR CURRENT AND FUTURE NUMBERS—Clip six coupons from Page 1 and send to the INTELLIGENCER, 25 Fourteenth street, and you will receive any number during the week of its issue.

2. FOR BACK PORTFOLIOS—Clip three "DOUBLE NUMBER" coupons and send or bring with 20 cents in coin to the INTELLIGENCER, 25 Fourteenth street, and any two Portfolios covered by the coupon will be delivered or sent you.